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NSC FOR ABRAMS/DORAN/MARCHESE/HARDING

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SUBJECT: LEBANON: INDEPENENT SHIA ORGANIZING SLOWLY,

INDEPENDENTLY OF ONE ANOTHER

Classified By: Ambassador Jeffrey D. Feltman for reasons 1.4 (b) and (d).

SUMMARY

11. (C) Several Shia leaders in late January and early February described to Econoff their desire to organize larger groups to express their frustration with the current Shia parties as well as the March 14 and March 8 coalitions. Kafaat Movement leader Ahmed Al-Assad is increasingly visible in the press as he tries again to launch an independent Shia party. In contrast, Raed Charafeddine, nephew of Imam Musa Sadr, is quietly cultivating young leaders and promoting interfaith dialogue. Shia head of Central Bank Operations Department Dr. Youssef El-Khalil is organizing a small network of confessionally diverse professionals focused on a reform agenda, and he is active in the Shia community through his NGO. Finally, Dr. Fadi Osseiran, Chairman of BlomInvestBank, argues that a new electoral law and early parliamentary elections are the best way to show that Hizballah has lost ground among the Shia. He recommends further government and NGO social services outreach to the Shia to gain their loyalty. Obstacles to the formation of a viable Shia third way or a cross-confessional party include continued sectarian tension, a lack of funding, and March 14's unwillingness to recognize or trust independent Shia leaders. End Summary.

TRYING TO LAUNCH A THIRD WAY

- 12. (C) Econoff in late January and early February spoke with several Shia professionals with political or community aspirations about their attempts to organize larger groups. All expressed their frustration with the current Shia parties and both March 14 and March 8, and noted that Lebanon's political impasse has encouraged many political aspirants to start new initiatives. (Note: In prior meetings, professionals of all sectarian backgrounds have reported their desire to see new political leaders emerge to demonstrate change in the Lebanese political arena. End Note.)
- 13. (C) Lubnan al-Kafaat ("Lebanon for the Talented") Movement leader Ahmed Al-Assad is increasingly visible as he tries again to launch an independent Shia party. Some March 14 politicians believe he has potential as a "third way" Shia voice and are increasingly giving his criticism of Amal and Hizballah media coverage. Assad inherits the feudal legacy of his grandfather and father, both Speakers of the Chamber

of Deputies and leaders of south Lebanon, but he failed in his bid to win a parliamentary seat in the 2005 election. In addition to making more frequent press statements since the election, Assad is building a support base through the Kafaat NGO network in the south. He runs a recreational center and library with French funding near a French UNIFIL contingent, and is opening two more centers, which are funded by and located near the Italian and Spanish UNIFIL headquarters.

- 14. (C) Assad is working with several groups and political figures across the Shia community, including university professors, journalists, and politicians, to establish a broader group. "Expect a press release soon," Assad told us. A core group has been meeting weekly since December, building trust, and seeking contact anyone who is not 100 percent with Hizballah and might want to cooperate. They do not yet have a name and need another month to fully form, but the goal is a "gathering" or an institution which will issue press releases. They will portray themselves as freeing the Shia community from oppression. Their strength will depend on external support -- including March 14 politicians and the media outlets they control. The gathering will need media attention, funding, and a proportional election law to translate its statements into deeds.
- 15. (C) The gathering will tie in a diverse group with two common themes: providing benefits for all Lebanese; and pushing back foreign influence in the Shia community. The gathering hopes for the equivalent of 20 percent of Hizballah's USD 600-700 million a year budget in order to create jobs, and subsidize high quality universities and hospitals in the south. They will also need funding to replace the income that clerics will lose when they speak out against Hizballah. The gathering will seek to some measure of "religious cover," with sheikhs encouraging a return to

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the Lebanese Shia traditions and beliefs predominant before the Iranian revolution, but the group will be secular. The group has no funding source yet, and Assad believes overseas Lebanese are not dependable partners because they are afraid of Hizballah.

- 16. (C) Assad doubts that a multi-confessional party is viable now. Instead, Lebanese need to see a new, broad Shia coalition opposed to Hizballah. "We can't weaken Hizballah, without weakening them from within the Shia community," Assad pointed out, "and after that we can broaden the movement." Such a coalition can gradually erode Shia fears of speaking out against Hizballah and being left vulnerable without Hizballah's protection. One commonality among the Shia opposed to Hizballah is that they feel Lebanese, and not tied to any foreign entity. There will be at least one Christian and one Sunni participant to ensure the movement is seen as Lebanese and not just Shia.
- 17. (C) Lebanon can't move on until Hizballah no longer monopolizes the Shia community, Assad told Econoff, and the best way to end this monopoly is through a new, proportional representation electoral law. March 14 refuses to support a proportional election law because it might cause them to lose seats in parliament; they don't consider that Hizballah and Aoun might lose representation as well. Assad believes the independent Kafaat Movement could gain up to 30 percent of teh votes in the south and the Biqa', despite Hizballah's greater funding and weapons. He believes that Shia are ready for someone who can oppose Hizballah, and for more diverse Shia representation in Parliament. He believes he gained 12 percent of the Shia vote in the last election, in which many Christian, Druze, and Sunnis did not vote because they were unhappy with the election law. His supporters knew that it was unlikely that Kafaat could win seats under the 2000 election law, but voted despite the low probability of seeing their candidate win and the high probability of facing Hizballah retribution. How many more Shia and non-Shia would vote for an alternative to Hizballah, if they actually

thought their candidate had a real chance to win, Assad asked rhetorically.

18. (C) Assad told Econoff that people in the south are unhappy with all politicians, but are afraid of Hizballah, feel they have no other choice for political representation, and still hope to get reconstruction money from Hizballah. Deep inside there is a shift against Hizballah due to the destruction it brought upon civilian areas as a result of the summer war, but people are afraid to criticize Hizballah publicly for fear of retribution or ostracism. This frustration with Hizballah does not translate into sympathy for March 14, because March 14 politicians are not consultative, cooperative partners, and the public feels that those politicians put their own interests above national interests. Assad believes Hizballah shot rockets at the Israelis from his unoccupied house in order to invite Israeli retribution on his property, following his criticism of Hizballah. The Israelis bombed the house.

INTERFAITH DIALOGUE, INTERNATIONAL FUNDING

- 19. (C) Raed Charafeddine, nephew of Amal Movement Founder Imam Musa Sadr, and board member of the Imam Sadr Foundation, sees leadership development, cross-confessional cooperation, and Shia community development as the way forward for the Shia community. In particular, Charafeddine sees himself as continuing his uncle's and grandfather's interfaith dialogue efforts.
- 110. (C) Since the mid-1990s Charafeddine has taught one leadership course per semester, rotating among the American University of Beirut, Lebanese American University, and the University of Balamand. As Assistant General Manager at Fransabank and an MBA holder, he fosters leadership, critical thinking, and conflict resolution in the courses he teaches. He appears to relish his work with MBA students, "Lebanon's future leaders." He has included segments on "national change" in his courses via critical thinking skills, conflict resolution techniques, and role playing. He also previously worked on a U.S. Institute of Peace-funded Christian-Muslim dialogue project.
- 111. (C) As a voluntary board member and chair of the strategic planning committee at the Imam Sadr Foundation,

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Charafeddine promotes interfaith dialogue and international ties, and raises funds to provide services to Lebanese Shia. He will travel to Detroit in early spring for the annual foundation conference, and has already scheduled his routine visits to Lebanese community centers of all confessional groups, which he has been building over the years through reciprocal visits. The Lebanese diaspora in Africa is the foundation's primary funding source, while U.S. and Gulf funding are also important. Charefeddine plans to open a Canadian chapter in addition to existing American and African branches, to be headed by the Canadian Maronite association leader.

112. (C) The Foundation uses the funding it receives overseas to respond to the needs of the Shia community, with educational programs from kindergarten through vocational training programs. The Foundation operates mostly in Tyre but has a campus near the old airport road in the southern suburbs of Beirut. Its eight medical centers serve southern villages. Since the Israeli withdrawal from the south in 2000, the Foundation has worked to return orphans and "hardship cases," or children whose families could not care for them, to their extended families and take its social services to the villages through social workers. There is a new peace-building curriculum and leadership training.

- 13. (C) Dr. Youssef El-Khalil, the Shia head of the Lebanese Central Bank's Operations Department, told Econoff that the time is ripe to move politics beyond confessionalism, and the Shia are especially open to that idea. Shia of all income levels are increasing their criticism of Hizballah, while the March 14 and March 8 coalitions have both lost credibility as their media outlets fuel confessional problems and politicians retrench in their positions rather than seek agreement. While confessional tensions make a Shia "third way" less viable, Shia and other Lebanese are ready for a multi-confessional group with a substantive platform that can run a slate around the country. While many Shia are interested, the cross-confessional initiative can't come from a Shia and must be an alternative Lebanese movement, not an alternative Shia movement.
- 114. (C) Khalil is organizing a small network of confessionally and regionally diverse people. Group members focus on their professional identity and political agenda as well as their ties to villages to ensure support from multiple social strata. The organization is well positioned, but has only been active for 1-2 months, gathering to eat together. Many people hurt their reputations by their stances during the conflict.
- 115. (C) Khalil is simultaneously active within the Shia community, promoting economic development across the south through his NGO, the Association for Assistance to Rural Development (AARD). Khalil argues that AARD is one of the largest development groups in that region, with a geographic outreach and a breadth of services rivaled only by Hizballah and Amal social service networks. AARD has been active in the post-war reconstruction effort.

LOOKING FOR ELECTORAL REFORM TO REFLECT SHIA FRUSTRATION WITH HIZBALLAH

- 116. (C) Dr. Fadi Osseiran of BlomInvestBank believes that early elections would prove that support for Hizballah has weakened, but would set a destructive precedent for easily calling early elections. Instead, the passage of a new, proportional representation election law would encourage formation of a multi-confessional group. It would be difficult for an all-Shia third party to garner support from professionals, because educated Shia prefer to be seen as Lebanese and have little in common with rural or religiously conservative Shia.
- ¶17. (C) It would also help to "fight Hizballah with its own weapon, money." Even the Shia who are with Hizballah and critical of the government are not anti-Hariri because Hariri spent so much money on scholarships, Osseiran told Econoff. Hizballah would be threatened by another Shia with a patronage network, so such networks must look neutral as they are building their political base. Building a stronger state

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that provides for all groups is also essential.

118. (C) Dr. Osseiran said he has observed a clear increase in the number of Shia journalists, entrepreneurs, intellectuals, and aspiring politicians publicly speaking out against Hizballah. But he notes that the citizens are still more apt to express their criticism among friends rather than in public. Criticism of Hizballah focuses on the group's unproductive attack on the government, statements about fighting a proxy war with the U.S. in Lebanon, the persistence of a "state within a state," and Hizballah's constant provocation of violence. People just want to live and are tired of Hizballah getting in the way of families' need to educate their kids and work. Nevertheless the "state of fear" of sectarian conflict, Israeli aggression, and a

history of respect for Hizballah's integrity and accomplishments keep many secular, well-educated Shia with Hizballah.

COMMENT: DECK STACKED AGAINST INDEPENDENT SHIA

19. (C) Despite clear indications that many Shia are unhappy with their limited choice in political representation, several obstacles to organization of a third party remain. Many Shia fear that alternative Shia entities will not protect Shia interests from other confessions. While Shia may criticize their confessional leaders privately, they seem unwilling to risk ostracism or violence or the perception that they are breaking with the rest of the sect. The Shia who are prone not to ally with Hizballah or Amal are largely secular and looking for a cross-confessional alternative movement, rather than a third Shia party. Control of the media by confessional and political leaders prevents independent politicians from getting media coverage while Hizballah and Nabih Berri have their own news channels. Lack of funding to replace the income that keeps many Shia loyal to Hizballah is another obstacle, and to date there appear to be no Shia with the money to rival Berri's and Hizballah's patronage networks. March 14th's tendency to regard the Shia and Hizballah as a single entity has also contributed to the failure of several prior attempts to launch a third Shia party. End Comment. FELTMAN